

VON KLUCK HURLS BACK FRENCH FLANKERS;
FRESH TROOPS TRY TO REGAIN LOST GROUNDCARRANZA TO
STEP OUT AS
'FIRST CHIEF'Nephew Gets Telegram
Saying He Will Give
Up Position.

VILLA ON WARPATH

Determined to Hurl Mexico
Into Another War—U. S.
to Hold Vera Cruz.

Special to The Washington Herald.
El Paso, Sept. 25.—Rafael Musquiz, nephew of Venustiano Carranza and the constitutionalist consul in this city, received an unofficial dispatch tonight from Mexico City stating that at a conference of generals in the capital this afternoon, Provisional President Carranza had announced his decision to relinquish his present position as "first chief" of the constitutionalist government. No confirmation of this report from official sources is obtainable here. The significant announcement was made tonight that railroad traffic between Juarez and Mexico City would be resumed tomorrow morning, including meager Pullman service. This traffic has been interrupted practically for three years.

If this is carried into effect it may be taken as an indication that the threatened trouble growing out of the clash between Villa and Carranza will not materialize. Censorship of all press telegrams still is rigid.

"In State of War."

Chihuahua, Sept. 25.—(Sent by messenger to El Paso by John W. Roberts, September 25.)—"Mexico today is in a state of war."

This was the statement made to me today by Gen. Francisco Villa after a strenuous day spent for the most part in strenuous telegraphic conferences with First Chief Carranza.

Instead of the quiet, fun-loving, very human Villa to whom I had become accustomed during the months of peace which followed the dreadful battle of Zacatecas, he again was Villa the fighter, Villa the human tiger.

His eyes were bloodshot, the result of loss of sleep through forty-eight hours of consultation with his generals whom he had summoned from distant posts in order to discuss plans of the campaign should worst come to worst and he be compelled to take the field against his late "first chief."

"I have caused the arrest of Gen. Obregon at Torreón, on his return to Chihuahua," continued Villa quietly. "He was on his way to Mexico City. He arrived this evening and I had a talk with him. I told him why I have felt compelled to break with the former 'first chief.'"

"Tonight I gave him a special train which will carry him to the national capital, where he will tell Carranza what I told him to tell him. That may clear up the situation."

Carranza an "Imbecile."

"If it does not, I shall be sorry."

"I don't want any more war or bloodshed."

"I want peace, but Carranza does not seem to want it that way."

"I regret that affairs should have so shaped themselves and have taken the only course open to me. My men are being sent out. I have plenty of ammunition. I can put 50,000 men, mostly veterans, in the field, within a week's time. I have nothing to fear."

"Carranza proved himself to be a liar and a despot. In the first he repudiated his promise to the people of Mexico. He has made an unwarranted attack upon Zapata, who had already given me his word that he would lay down his arms."

Later, when I had decided to send troops to Sonora to restore peace to the turbulent state, Carranza criticized me severely, saying I had exceeded my authority. He even told me he would order my men to return to their barracks."

"I telegraphed him that I would welcome an order from him to my men not to do anything I had ordered them to do. He has not replied to that message."

"Mexico must have peace. We all want peace, except, possibly Carranza, the imbecile."

Expected No Interference.

"I am sorry, for many reasons, that it has been necessary that I should assume the attitude I find myself in, but I feel it will turn out for the best."

"Don't you fear interference on the part of the United States?" I asked.

"Is there no danger that the United

States will interfere?"

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German Siege Guns
To Bombard French
Forts Near Verdun

Heavy Field Pieces Being Moved from Metz in Face of Resistance, Berlin Officially Announces, Adding that Reduction of the City Cannot Be Averted When Artillery Begins Operating with Effect—Servian Army in Slavonia Led Into Trap and 7,000 Prisoners Are Taken by the Austrians.

PEACE POSSIBLE ONLY WHEN KAISER'S DOMAIN
IS MADE UNASSAILABLE, SAYS TAGEBLATTBy FREDERICK WERNER.
(By Wireless via Sayville, L. I.)

Berlin, Sept. 25.—Official announcement was made today that siege guns have been taken from Metz to bombard Verdun and the French forts in the vicinity of that stronghold.

"The French are striving to prevent the arrival of these guns," says the official statement, "but they are steadily approaching nearer. The reduction of Verdun cannot be averted when they reach a position where they can be operated with full effect."

"Our smaller guns continue their bombardment of the Verdun-Toul line with good effect."

"The field engagements in France during the twenty-four hours ended at midnight have been minor affairs, without any important developments. We hold our positions, there being no appreciable change in the lines."

"The situation in Belgium and the eastern war theater is good."

SERVIANS DRAWN INTO TRAP.

It was officially announced that the Austrians in checking Servian invasion of Slavonia took 7,000 Servian prisoners. The Servian army of invasion, composed of 30,000 soldiers, was drawn into a trap, the official announcement says, and were attacked on two sides.

After invading Slavonia the Servians erected fortifications, expecting to be attacked. Instead the Austrians retreated, luring the invaders on. Near Jackova and Alt Pasma the Austrians suddenly turned, delivering a double attack. The Servians were pressed back against the River Save and many were drowned in addition to those who were shot down by the attacking forces.

News living in Berlin have received information that the Russian government has decided to court-martial Prince Radziwili, the aged leader of the Polish party in the German Reichstag, who has been arrested at St. Petersburg (Petrograd) on the pretext that he was a spy.

The report of the commission appointed by Germany to make a judicial inquiry at Louvain places responsibility for the occurrences in that city upon civilians.

According to this report, the civilian population began firing upon German soldiers from their houses at a signal of a red and green rocket, fired near the railway station at night.

German Position Stated.

The Berlin Tageblatt publishes the following statement, apparently inspired officially, today:

"Peace after such enormous sacrifices is only possible when Germany's position is quite unassailable for a long future." The German press is making strong protest against the bombardment of the open town of Dar-es-Salaam by a British cruiser.

Dar-es-Salaam is a seaport and military station in German East Africa, on the Indian Ocean, forty miles from Zanzibar. Of its population of 35,000, nearly 400 are Europeans.

The Petit Parisien, of Paris, is quoted as saying that the French commander-in-chief has been compelled to send back the Turcos to Africa, because they cannot stand a winter campaign.

It is also reported that France has been compelled to strengthen her forces in Morocco.

Not Convinced England Is Right.

Berlin newspapers are responsible for the declaration that Gen. Beyer, who resigned as commander of the South African (British) forces, explained his withdrawal by saying that even some of the members of the British ministry are not convinced that England was justified in going to war against Germany.

It is charged by the press that England has violated the independence of other nations and perpetrated in the South African war numerous atrocities.

The directors of the Deutsche Bank held a meeting today, after which they issued a statement saying that the financial condition of Germany is sound.

"The splendid economic structure of the empire will enable Germany to fight through the war and until Germany's future is assured," said the statement.

St. to Frederick and Hagerstown, Md. on Sunday, Sept. 27. Baltimore and Ohio. Returning same day. This is a delightful season to visit the country.

St. to Luray, Va., and Return—\$2.00. \$2.50 & M. Sunday, Sept. 27. Baltimore and Ohio. Returning same day. This is a delightful season to visit the country.

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BANKS HOARDING
COUNTRY'S CASH
FACE BLACKLISTSecretary McAdoo Publishes
Names of 250 Carrying
Excessive Reserve.

IN SOUTH AND THE WEST

Warning Sent to Big Cities
Not to Charge Exorbitant
Rate of Interest.

WOULD EASE THE STRINGENCY

Head of Treasury Department Makes
Several Moves in Campaign of
Restoring Confidence.

Secretary of the Treasury McAdoo made a number of moves yesterday in his campaign to force the banks of the country that are hoarding money into a show of confidence.

He made public a telegram to the Clearing-house Association of New York which had been duplicated to Boston, St. Louis, and Chicago, and in which he charged the New York banks with demanding exorbitant interest rates from their correspondent banks in the South and elsewhere. This telegram disclosed for the first time the Secretary's intention to fix, as far as he may be able to do so, the rate of interest to be demanded by the banks of the country which are to benefit from government deposits and issuances of emergency currency.

One point in the telegram to the New York Clearing-house Association attracted especial attention. It was that the Secretary specifically desired that 8 per cent is a reasonable interest rate for the New York banks. Following is the telegram:

Complaint of High Rates.

"I have received complaints about the high rates of interest which are being charged by the national banks of New York, Boston, Chicago and other reserve cities. It is alleged that the New York banks are requiring their correspondent banks throughout the country to pay 7 per cent for loans and to maintain a balance with the New York banks, which makes the money cost the correspondent banks the equivalent of 8 per cent or more. Specific cases have been brought to my attention where banks in cities of the South have been required to pay these high interest rates. If New York charges the equivalent of 8 per cent interest to the correspondent banks of the South, these Southern banks must, in turn, charge a still higher rate to the small banks which are, in turn, their correspondents, thus making the money cost the ultimate borrower very high, if not exorbitant rates. From all the evidence before me I cannot feel that the charge of 7 to 8 per cent interest by the New York banks is justified in the circumstances."

"Within the past six weeks I have approved the issuance to the national banks of New York City of more than \$100,000,000 of new or additional national bank currency. This was done for the purpose of easing rates and helping the situation generally. I have taken the position with all the banks of the country that I will not knowingly issue additional national bank currency to or deposit government funds with banks which charge excessive rates of interest or which are refusing to meet legitimate demands for reasonable credits. I have also taken the position that I will not draw government deposits from national banks which are hoarding money and restricting credits through the maintenance of excessive reserves. The New York banks generally have not been hoarding money or maintaining excessive reserves, but they appear to be charging higher rates of interest than the conditions seem to justify. I am using every effort to persuade the banks throughout the country to extend reasonable credits and at reasonable rates of interest to meet the existing unusual conditions created by the European war, and which, if dealt with in a helpful spirit by all concerned, should quickly ameliorate."

"I would like to see the New York banks take the lead in establishing and maintaining moderate rates of interest for accommodations, as their example always has a large influence upon banking action and sentiment in the country. If this course is pursued by the leading banks in New York and other great money centers, a real public service will be rendered and a return to normal conditions of business will be quickened. I have been using, to the utmost, every power of this department to assist the general business situation and the banks and I ask only for cooperation on the part of the banks in an unselfish and patriotic spirit. I am telegraphing this message to Chicago, Boston, St. Louis and New York."

His second important step was to pub-

lish the names of 250 banks carrying excessive reserves.

These banks are:

First National Bank, New York

Second National Bank, New York

Third National Bank, New York

Fourth National Bank, New York

Fifth National Bank, New York

Sixth National Bank, New York

Seventh National Bank, New York

Eighth National Bank, New York

Ninth National Bank, New York

Tenth National Bank, New York

Eleventh National Bank, New York

Twelfth National Bank, New York

Thirteenth National Bank, New York

Fourteenth National Bank, New York

Fifteenth National Bank, New York

Sixteenth National Bank, New York

Seventeenth National Bank, New York

Eighteenth National Bank, New York

Nineteenth National Bank, New York

Twentieth National Bank, New York

Twenty-first National Bank, New York

Twenty-second National Bank, New York

Twenty-third National Bank, New York

Twenty-fourth National Bank, New York

Twenty-fifth National Bank, New York

Twenty-sixth National Bank, New York

Twenty-seventh National Bank, New York

Twenty-eighth National Bank, New York

Twenty-ninth National Bank, New York

Thirtieth National Bank, New York

Thirty-first National Bank, New York

Thirty-second National Bank, New York

Thirty-third National Bank, New York

Thirty-fourth National Bank, New York

Thirty-fifth National Bank, New York

Thirty-sixth National Bank, New York

Thirty-seventh National Bank, New York

Thirty-eighth National Bank, New York

Thirty-ninth National Bank, New York

Fortieth National Bank, New York

Left Wing of French Re-enforced,
Resumes Attack on German Right
In Fierce Fighting Around NoyonKaiser, Drenched in Trenches Near Verdun,
Is Threatened with Pneumonia, Is Report

London, Sept. 25.—From several points the news was received today that the Kaiser is under the care of the imperial physician. He is suffering from a severe cold.

The correspondent of the Chronicle, writing from Geneva, says that the Emperor spent a long time in the trenches around Verdun and was thoroughly drenched by the heavy rain.

He failed to change his clothing, and was later forced to remain in bed while his physicians took steps to prevent an attack of pneumonia.

ZEPPELIN RAID
MAY COME SOONAntwerp Says Balloons Make
Ready for Flight Across
Channel.

DROP BOMB AT BOULOGNE

Airship Creates Terror at Ostend and
Other Belgian Towns by
Firing Projectiles.

Special Cable to The Washington Herald.

Antwerp, Sept. 25.—Attacks in force by a great fleet of Zeppelins on England are predicted here. It is said these German aerial battleships are being assembled for a flight across the English Channel, with a thick curtain of fog to obscure the movement.

It is known that Count Zeppelin, inventor of the giant dirigibles that bear his name, has volunteered to lead a fleet of these vessels over the Channel and across the city of London.

With the coming of the foggy autumn season the danger from this cause is certain to be acute, and the British are already making preparations to forestall such a raid.

A number of the officials of the British aviation squad have been at Ostend for the last week, and it is understood they have a fleet of armored biplanes in readiness, prepared to take the offensive when the dirigibles are sent into action.

Was Merely Trial Cruise.

It is believed that last night's raid on Ostend was a trial cruise to ascertain the prevailing wind currents across the Channel.

It is also stated on good authority that virtually all Zeppelins have retired from active assistance in taking fortifications and are centered around the North Sea, where they are to assist in an attack on the British fleet. The outcome of such a battle will be highly important, for it will determine whether a dirigible can measure up against a warship. If it can, the German fleet will not be greatly outnumbered in the conflict about to take place, for the British fleet is insufficiently supplied with balloons guns, only a few of these being in existence.

The bombs used by the Zeppelins are said to be 12 inches in diameter and 2 feet long. The damage they can do is terrific. Houses in the neighborhood of the explosion collapse as though made of cards, and they can tear up the streets for a distance of scores of yards.

London, Sept. 25.—A German aeroplane flew over Boulogne about noon today and dropped a bomb in a shipbuilding yard. Little damage was done and no one was injured.

Boulogne is just across from England at about the narrowest part of the English Channel. The English coast is in sight of the French coast at this point.

Ostend, Sept. 25.—Hundreds of the residents of Ostend fled from here today in terror, following a raid by a German Zeppelin airship that dropped three bombs in the southeastern part of the city last night.

Panic Prevails at Ostend.

Panic prevails everywhere, and an order at Ostend to turn on lights later than 8 p. m. hereafter was issued.

No extensive damage was done by the aerial bombardment, which is believed here to be the German reply to the challenge of the British aviators who flew to Duesseldorf and dropped bombs on the Bickendorf aerodrome, headquarters of the Zeppelin squadron.

One of the bombs dropped by the Germans partially wrecked the bridge on the avenue Street de Nayer, and shattered the building occupied by Hans Williams and the fish market, and the third dropped in the harbor. The bomb that wrecked the Williams building also damaged surrounding houses and tore

down the bridge.

The press bureau makes public the detailed reports given by Commander W. I. Nicholson, of the Cressy, and Commander R. A. Norton, of the Hogue. There is nothing in the reports of these officers that has not been contained in press dispatches. The officers praise the conduct of the men and say there was no panic on the stricken ships.

3:50 Havre De Grace Races and Return Week days, Sept. 21 to 30. Baltimore and Ohio leave Union Station 12:00 noon, arrive race course 1:30 p. m. Train car from Baltimore.

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Germans, Forced Back in the Woivre District, Retreat Toward Le-Rupt-de-Mad—Kaiser's Forces Penetrate to St. Mihiel, but Are Not Able to Cross the Meuse. Allies Are Trying to Split Von Kluck's Army from that of Von Boehm in Order to Force Battle on the Former General.

200,000 THROWN FROM GERMAN RIGHT
TO FOIL PLANS AGAINST VON KLUCK

Special Cable to The Washington Herald.

Paris, Sept. 25.—The following official statement was issued tonight:

"1. On our left wing, in the region to the northeast of Noyon, our first lines, having come into collision with superior forces of the enemy, were obliged to yield a little ground this morning. Re-enforcements were sent up; these detachments have vigorously resumed the offensive. The conflict in the region is taking on a character of special violence."

"2. At the center there is nothing new."

"3. On our right wing, before the attacks of our troops coming out from Nancy and Toul, the enemy has begun to give way in the southern part of the Woivre district and is falling back toward Le Rupt-de-Mad. The action continues on the heights of Meuse. The German forces have been able to penetrate to the vicinity of St. Mihiel, but they were not able to cross the Meuse."

FRENCH FORCES DRIVEN BACK.

Official admission was made at the war office tonight that the advanced forces of the French left wing, operating to the northwest of Noyon in the general movement whose object is the turning of the German right wing army of Gen. von Kluck, were halted in their advance this morning in a particularly violent engagement with a superior force and the French and British re-enforcements were rushed

up behind the allies' line and with this support the allies were enabled to resume the offensive with great vigor. Latest reports from the front say the fighting was being pressed by the allies, the Germans contesting every foot of the ground.

RUSSIANS CAPTURE TWO GALICIAN STRONGHOLDS

Krukenice and Felsztyn Open Way to Cracow Assault—Kovno Defense Repels Germans.

GERMANS FAIL AT PRZEMYSL

Special Cable to The Washington Herald.

London, Sept. 25.—A report from Rome tonight is that Przemyśl is on the point of surrendering to the Russians. Correspondents of Roman newspapers transmit rumors current in Petrograd that Russian siege guns have destroyed two forts of Przemyśl's outer ring of defenses. The resistance of thearrison, it is said, has weakened amazingly despite enormous resources of defense, guns and ammunition.

Cracow has been occupied by German troops and Austrian administration displaced, according to late advices. Residents are fleeing in a panic, it is said.

Petrograd, Sept. 25.—Russian troops have captured the fortified towns of Krukenice and Felsztyn, in Galicia, opening the way to Chyrow, and have defeated thearrison of Przemyśl, the last Austrian stronghold on the River San, in a sortie it made in an attempt to raise the siege that has been in progress for five days.

Three attempts by the German troops invading Russia from East Prussia to capture Kovno have been repelled and the invaders have been driven back. There is no fighting on the German front. Railroads in East Prussia have closed to ordinary traffic indicating a great movement of German troops. They are also being brought east by sea.

The pursuit of the Austrians west of the River San still continues. The Austrians are retreating to Cracow.

The fiercest fighting previous to the capture of Jaroslaw by the Russians was at Sadowa-Wisniewa, where a battle was in progress for a week.

After five days of fighting the Russians were able to get their own guns in action and began shelling the redoubts. As soon as there was a lull the Russians were sent forward with fixed bayonets to charge the Austrian ranks. Furious hand-to-hand fighting followed around the batteries and trenches until the defense gave way.

Many trainloads of wounded Russian and German soldiers have arrived at Pskov. The Russian soldiers declare that heavy fighting has occurred in the Suwalki district, the Germans losing heavily.

Prince William of Wied Joins German Volunteers

Geneva, Sept. 25.—A dispatch from Lugano states that Prince William of Wied, fugitive ruler of Albania, had joined the German army volunteers.

The withdrawal of upward of 200,000 men from the German center and left to re-enforce Gen. Von Kluck is the most important maneuver thus far revealed to the allies and the most significant. They were brought by railroad in the

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